



DEPARTMENT OF TRANSPORTATION

NEWS

OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20590

FOR RELEASE WEDNESDAY, 12 NOON
DECEMBER 22, 1976

Contact: Lloyd D. Schwalb
Phone: (202) 426-4043
DOT 76-140

U.S. Secretary of Transportation William T. Coleman, Jr., today announced the selection of Cleveland, Houston, Los Angeles and St. Paul as demonstration cities for the Urban Mass Transportation Administration's (UMTA) nationwide project to assess the transportation and urban development benefits of automated Downtown People Mover (DPM) systems. At current cost estimates, \$220 million in UMTA funds will be committed for these four projects, plus up to an additional \$25 million from Federal highway funds in the case of Los Angeles.

In addition, the Secretary advised Detroit, one of the eleven DPM finalists, that UMTA would fund its DPM system as part of the \$600 million transit commitment to Detroit announced by the Secretary last October.

The four winning cities, plus Detroit, will now receive preliminary engineering funds from UMTA. Once all statutory requirements have been met and environmental clearances obtained, UMTA will provide capital grants under Section 3 of the Urban Mass Transportation Act to assist in the construction of the DPM systems.

"All eleven finalist cities in the Downtown People Mover Project have applications of considerable merit," the Secretary said. "Thus the tough decision was to select the best of the best." Although the Department's original plan had been to award funds to three cities, "the high quality of the applications we received prompted our decision to extend our approval to four sites," he noted.

In announcing the DPM program last April, UMTA Administrator Robert E. Patricelli said, "The intent of the project is to show whether relatively simple, automated systems can provide a reliable and economical solution to local circulation problems in congested downtown areas. Such systems have proven effective in controlled environments, such as airports and commercial and recreational centers. We now want to test their feasibility and public acceptance in the harsher and more demanding environment of a real city."

UMTA's major goals are:

- (1) to test the operating cost savings which automated transit systems might deliver;
- (2) to assess the economic impact of improved downtown circulation systems on the central city; and
- (3) to test the feasibility of surface or elevated people movers both as feeder distributors and as potential substitutes for certain functions now performed by more expensive fixed guideway systems, such as subways.

"We were especially pleased to find that many of the applications demonstrated direct urban development benefits which would be forthcoming from installation of a people mover," Secretary Coleman said. "We are trying to make transit pay off in terms of city revitalization."

Each of the 11 finalist cities were visited by a team of senior UMTA staff which made on-site inspections of the proposed DPM routes and conferred with top-ranking public officials as well as transportation, trade union and civic leaders. To assist in evaluating the economic and urban development aspects of each proposal, UMTA contracted with three real estate consulting firms to visit the finalist cities and make their own independent evaluations.

UMTA's intensive analysis identified Cleveland, Houston, Los Angeles and St. Paul as the cities with the best likelihood of achieving the DPM project goals in terms of transportation merit, development impact and the capacity to build and operate such a system.

Cleveland, which is to receive as estimated \$41 million in Federal matching grants, is the only DPM finalist city with an existing rapid transit system. The existing system touches only on the edge of a spread-out downtown core which sorely needs better transportation if it is to improve economically. The DPM proposal effectively links up retail, government, business and financial, entertainment and residential centers. It will spur retail and hotel/convention business, will provide a significant boost to efforts to rejuvenate the downtown area, and will meet a major transportation need for improved downtown circulation tied to the existing transit system.

Houston, which is to receive an estimated \$33 million, is a city undergoing very rapid growth -- its urbanized area has grown by more than 25 percent in the 1970-75 period and downtown office space has expanded by 70 percent during the same five years. Houston's DPM will link up older and newly developing activity centers and is tied to a well conceived transit and auto intercept program. Given existing and projected rates of downtown employment and economic activity, the DPM will serve a rapidly expanding market for internal daytime circulation trips, and would stimulate new growth and development in the older north end of the city.

An especially attractive part of the Houston proposal is its financing which involves, in addition to an UMTA grant, a proposed UMTA loan of \$10 million to be repaid from surplus fare box revenues and from lease income from real estate developers. "This is the most visible example of value recapture we have seen," said Secretary Coleman.

Los Angeles is to receive \$100 million in UMTA grants, plus possibly as much as \$25 million from Federal highway funds for its proposed Downtown People Mover which would link up a spread-out central business district, including a Convention Center, major downtown office and retail development, the Bunker Hill redevelopment area, the Civic Center and Union Station. It is designed to serve both as a transit/auto intercept and as an off-peak circulation system in the central area. The Los Angeles project supports the broader community redevelopment plans for downtown Los Angeles and enjoys strong support from the city's business community. New growth would be speeded up and the retail core could be stabilized as a result.

In addition to approving the Los Angeles DPM, the Secretary announced decisions on the other three elements of the regionwide package of transit proposals which was submitted by the state, county and city in September. A full preliminary engineering go-ahead was approved for the Transportation Systems Management and high level bus-on-freeway plans. UMTA and Federal Highway Administration (FHWA) funding, totaling \$7.8 million, will be made available to support the next stage of engineering and environmental analysis on those plans, whose cost in Federal funds if fully implemented is now estimated at \$826 million.

Further study of a rapid transit alternative in the Wilshire/La Brea Corridor was also approved, but the Secretary's letter noted that several issues must be resolved before full preliminary engineering would be authorized on any rail transit line. UMTA will entertain an application for up to \$2 million in technical study funds for this purpose.

Recognizing that major progress had been made in achieving consensus on transit plans in the Los Angeles area, the Secretary complimented participating agencies, saying: "The Los Angeles metropolitan area is the second largest urbanized area in the nation, and the provision of adequate public transportation alternatives for people in the region is of vital interest to this Department."

St. Paul, which is to receive \$45 million, presents the best opportunity to evaluate the role of a DPM in stimulating new downtown investments. The city is rebuilding its central core and is committed to a major transit/pedestrian mall and to "skyways" which will connect existing and proposed new buildings. Two major downtown development decisions hinge directly upon implementation of a people mover system; upwards of \$60 million in new private investment will move forward on the assurance of a DPM. The St. Paul proposal has been well planned, has strong public and private support, and would be implemented by the Metropolitan Transit Commission, an agency with strong technical capabilities. Installation of a DPM in St. Paul would provide an excellent test of the role of an automated guideway system in spurring redevelopment in a medium-sized city and of operations in a severe climate.

Detroit's people mover proposal is viewed as a key part of the city's revitalization efforts, in support of which the Department of Transportation last October made a commitment of \$600 million for funding a regional transit system. Detroit's transit alternatives analysis is currently being completed, and UMTA has advised Detroit that funding of a people mover system would have to be drawn from the \$600 million. Detroit was advised to define the best possible program of transit improvements and alignments, including the people mover system, as part of their urban development/metropolitan transportation system proposal to be submitted shortly to UMTA.

Baltimore and Miami, while not selected for the award of preliminary engineering funds in the DPM competition, were advised that their DPM proposals were of sufficient merit that UMTA would permit them to reprogram funds with their existing Federal transit commitments, subject to UMTA reviews of their specific proposals, to finance DPM development. Baltimore was specifically encouraged to seek DPM funding from Interstate transfer funds, as provided under the Federal-Aid Highway Act.

The people mover decision in Miami came as part of a broader decision letter to Dade County providing UMTA instructions on further engineering of the rapid transit line which was approved last March. UMTA found that the county had justified the use of heavy rail, rather than light rail technology, for a 16.5-mile line running from Dadeland to 65th Street, N.W. The county was instructed to define a final proposal, including necessary parking and feeder bus support, which is estimated to cost between \$500 and \$600 million in UMTA capital grant funds, plus any available Federal-aid highway transfer funds and non-Federal matching funds. Secretary Coleman said at a news conference that he thought the figure would be \$575 million.

The UMTA letter to Dade County made specific reference to the need to firm up sources of capital matching and operating assistance funds from state and local sources during the next phase of engineering.

The UMTA Downtown People Mover Program is an outgrowth of intensive Congressional, Department of Transportation, local government and private sector interest in automated guideway transit systems.

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